

Western Hemisphere Travel Initiative

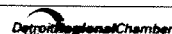
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U.S./Canada Border Overview

Facts

- Longest common border that is not militarized or actively patrolled
- 4,000 miles contiguous U.S.—5,500 altogether (U.S./Mexico border is 2,000 miles)
- 11 states and 8 provinces
- 51 million Americans and over 30 million Canadians
- 90% of Canadians live within 100 miles



U.S./Canada Border Overview

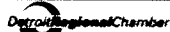
Economy

Top Economic Value

State	Visitations	\$ impact
Nevada	780,000	\$438,000,000
California	1,000,000	\$587,000,000
Florida	1,800,000	\$1,400,000,000

Top Destinations

State	Visitations	\$ impact
Washington	1,800,000	\$211,000,000
Michigan	1,900,000	\$165,000,000
New York	3,800,000	\$340,000,000



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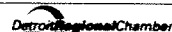
Economy

Three Busiest U.S./Canada Border Crossings

2004	Passenger cars	Commercial vehicles	Total
	Volume (in millions)	Volume (in millions)	Volume (in millions)
Detroit River/			
St. Clair River	15.87	5.33	21.20
Niagara River	12.21	2.31	14.52
Cascade Gateway	7.12	1.12	8.24

Total Value of Trade

- Detroit/Port Huron (~\$450 million per day, #1 nationally)
- Buffalo (~\$160 million per day, #2 nationally)
- Bellingham/Cascade (~\$40 million per day)



U.S./Canada Border Overview


Economy

Trade

- \$1.2 billion U.S./Canada trade/daily
- Supports 5.2 million jobs

Travel/Tourism

- 2004: 15 million U.S. to Canada
- 2004: 14 million Canada to U.S.
- 2004: Canadians spent \$10.3 billion in U.S. (\$7.9 billion for dining, gifts, hotels, etc.)
- Canadian spending up 39% over 10 years—U.S. travel surplus

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U.S./Canada Border Overview

Cultural Integration

- Canadians enter U.S. to spend money (shopping) and cross more frequently than Americans (50% of Canadian visits)
- Work and family, athletic events, theater, music
- Over 3,000 Canadian nurses in SE Michigan will have to meet WHTI requirements.

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U.S./Canada Border Overview

What's At Stake


- 60% of Canadians do not have passports. If one in 12 does not acquire a passport and stops traveling into the US, the US economy could lose \$532 million.
- A 15% drop in air travel by Canadians would amount to an additional loss of \$583 million to the US economy. The hardest hit states would be Florida and California.

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WHTI Background

New Law


- Intelligence Reform and Terrorism Prevention Act (sec. 7209) signed December 2004
- All travel into U.S. (includes U.S. citizens)
- Requires "passport or other document, or combination of documents"
- Final implementation date: June 1, 2009

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WHTI Background

Plan Implications

- While there is need for greater security, we must balance national and economic security.
- Proposed alternatives tip the balance too far against economic security and could prove catastrophic.

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WHTI Background

Foundations For Concern

- Confusion over WHTI already threatens border economies
 - Cross-border trips already have fallen 20-30% since 9/11 (wait times, hassle, uncertainty)
 - Just discussing WHTI will contribute to additional declines (12% from now until 1/2008)

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Policy Alternatives

Principles


- Strike a balance between national and economic security—secure can still be smart
- Leverage existing assets (e.g., expertise, technology, documentation, experience)
- Think beyond traditional crossings—those who threaten us will
- For individuals: low cost, low complication, easy access

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Policy Alternatives

Recommendations

- Develop the Michigan Drivers License as a secure alternative
 - REAL ID Signed May 2005: state driver's license or ID card cannot be used for any federal purpose unless it meets federal requirements by 5/2008
 - Federally regulated commercial aircraft, nuclear power plants, federally regulated critical infrastructure

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Policy Alternatives

Recommendations

- Benefits of Drivers License alternative:
 - Streamlined implementation of WHTI (no new documentation requirement)
 - Alleviates DoS workload increase
 - Machine-readable card could speed border crossings
- Exempt children
- Low cost